

EX 3

Illinois Power Company  
500 South 27th Street  
Decatur, Illinois 62521-2200

August 14, 2000

Mr. Dustin D. Tripp  
Manager of Engineering & Customer Service  
SouthEastern Illinois Electric Cooperative, Inc.  
585 Highway 142 South  
Eldorado, IL 62930

  
**ILLINOIS POWER**  
Part of the DYNACO Performance Team

Dear Dustin:

This letter is in response to your fax to me dated August 4, 2000. The first item I would like to point out is the Service Area Agreement between our companies is dated March 19, 1968, not May 19, 1968, as indicated in the third paragraph of your fax transmittal.

Your description of the application for service you received from Arclair Coal for their new Willow Lake Portal and East Portal isn't specific enough to be able to determine if the portals will be located in our service area or SouthEastern's. Information we received from Dennis Oliver of Sugar Camp Coal, LLC in February of this year indicated the delivery point for the Willow Lake Portal would be in Illinois Power Company's service area. Since the East Portal would be east of the Willow Lake Portal, the second delivery point would also be in Illinois Power Company's service area. Until we receive information to the contrary we must assume the delivery points for both portals will be in Illinois Power Company's service area.

Dustin, we would prefer to avoid a lengthy and expensive complaint process with the Illinois Commerce Commission. However, to this point SouthEastern hasn't presented any facts as to why you should have service rights to customers located in our territory. Until that time we will plan to serve the Willow Lake Portal and the East Portal. We will also notify Arclair of the possibility of a complaint between our two companies but we will assure them that the complaint will not delay Illinois Power Company providing electric service to them.

Please don't hesitate to contact me to discuss this issue, especially if you have reasoning as to why you think your company may have service rights. I will also be happy to meet in our Mt. Vernon service unit to discuss if a face to face meeting is needed. My direct number is (217) 424-6565.

Very truly yours,



Bob Perkes  
Municipal & Cooperative Relations Manager